



# City Council Agenda Bill

# 20145

Bill Number

**Subject:** Housing Levy Awards and Administrative and Financial Plan Amendment

**Summary Statement:** The 2012 Bellingham Housing Levy authorized \$21 million over 7-years to provide, produce, and/or preserve affordable housing in Bellingham and to assist low-income tenants. The Administrative and Financial Plan authorizes the Mayor to award funding for projects. Eight competitive applications were submitted requesting Housing Levy funds. The Mayor's selection of projects requires City Council concurrence to increase Preservation funds by \$350,000 and decrease Production funds by an equal amount.

**Previous Council Action:** Ordinance 2012-06-033, Resolution No. 2012-31 and Resolution No. 2013-05.

**Fiscal Impact:** Current Awards: \$2,102,765 in Production funds; \$991,918 in Preservation funds; \$255,000 of Levy Homebuyer funds; and \$233,912 of Levy Rental Assistance and Supportive Service funds. Budget Amendment: Increase Preservation funds by \$350,000 and decrease Production funds by an equal amount.

**Funding Source:** Housing Levy

**Attachments:** 2013 Housing Fund Awards  
Resolution with Proposed Amendment

Meeting Activity	Meeting Date	Staff Recommendation	Presented By	Time
Committee Briefing Council Vote Requested	14-Oct-2013	Pass Resolution	David Stalheim, BGPM	15 min

**Council Committee:**

**Planning & Community Development**

Jack Weiss, Chair  
Michael Lilliquist; Gene Knutson

**Committee Actions:**

**Council Action:**

**Agenda Bill Contact:**

David Stalheim, BGPM 778-8300

**Reviewed By**

Jeffrey Thomas, PCD  
Director

**Initials**

*JT*

**Date**

*10-9-2013*

Legal  
Mayor

*AK  
KL 10-9-13*



2013 Housing Fund  
Awards

Kelli Linville, Mayor

SEPTEMBER 30, 2013



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September 30, 2013

It is my privilege to present my award of Bellingham Home Fund projects to the Bellingham City Council, Community Development Advisory Board (CDAB), affordable housing providers, and the public.

Last November, Bellingham voters approved the Bellingham Home Fund Levy that will generate \$3 million per year for seven years. We are pleased to announce our selection of projects that will provide safe, affordable housing and services for lower-income residents of our community. These projects also address other important community values, such as emphasizing sustainability, providing convenient access to transit and other services, and increasing ownership in areas where there are high concentrations of rental housing stock.

These awards amount to a commitment of \$3,583,595 of Housing Levy funds over the next two years. We have also partnered with the Opportunity Council by committing another \$250,000 for a program to weatherize and provide critical repairs to manufactured housing within the City.

I strongly support preservation of our existing housing stock. This year, we had a high demand for funds to preserve housing that provides shelter for women and for seniors. These requests exceed the budget that the City Council had originally allocated, so I will be requesting the Council consider and approve a slight adjustment of the Housing Levy program budget.

Finally, I would like to thank the citizens that volunteered their time and input in the initial allocations of our Home Fund levy. Our Community Development Advisory Board did an incredible job in providing recommendations for program priorities and funding. I am so pleased that we can get these funds out to eight deserving projects that will benefit our great City!

Sincerely,

A handwritten signature in black ink, appearing to read "Kelli Linville".

Kelli Linville, Mayor

# Process

## Notice of Funding Availability

After several months of program development, the City released four Notices of Funding Availability on May 15<sup>th</sup> and set aside additional funds for preservation projects.

Program	Announced Funding Available
1. Rental Housing Production	\$3.3 million
2. Housing/Shelter Preservation	\$550,000
3. Rental Assistance and Supportive Services	\$250,000 per year
4. Infill and Neighborhood Program	\$255,000 homebuyer funds
5. Emergency Repair	\$50,000 annually
6. Mobile Home Repair	\$125,00 annually (initial 2 year commitment)

## Applications Received

Competitive applications were due on July 1<sup>st</sup>. Eight applications were submitted:

Agency	Project	Program	Units	City Funds Requested
Bellingham Housing Authority	Deer Run Terrace	Production	42	1,000,000
Catholic Housing Services	Cornwall Housing Project	Production	42	362,500
Sun Community Service	Sun Permanent Supportive Housing Program	Production	2	186,528
Catholic Housing Services	Bakerview Family Housing	Production	50	1,553,737
Lydia Place	Lydia Place Rehabilitation/Preservation Project	Preservation	8	230,040
Opportunity Council	Dorothy Place Rehabilitation	Preservation	22	267,377
YWCA of Bellingham	YWCA Larrabee Residence Renovation	Preservation	36	244,501
Kulshan CLT	Scattered Site Rehab. Program	Homebuyer	13	255,000
<b>TOTALS</b>			<b>215</b>	<b>\$4,099,683</b>

Requests for Rental Assistance and Supportive Service Funds were required to be done in association with Production applications. Two applications were received:

Agency	Project	Program	Units	City Funds Requested
Catholic Housing Services	Cornwall Housing Project	Production	42	177,998
Sun Community Service	Sun Permanent Supportive Housing Program	Production	2	55,914
<b>TOTALS</b>			<b>44</b>	<b>\$233,912</b>

## Initial Review and Ranking

Staff reviewed all the applications to ensure that they met minimum program requirements. Staff requested any missing information from the applicant after review, providing them with three days to clarify.

After the application was complete, the projects were scored in accordance with the Notice of Funding Availability criteria. Scoring was done by City of Bellingham staff, Whatcom County Housing Specialist (homeless housing and supportive service questions) and Bellingham's Housing Development Fund Loan Review Board (budget and financial questions). The following table shows those results:

Agency	Project	Program	Preliminary Rank	Score
Bellingham Housing Authority	Deer Run Terrace	Production	1	109
Catholic Housing Services	Cornwall Housing Project	Production	2	103
Sun Community Service	Sun Permanent Supportive Housing Program	Production	3	102
Catholic Housing Services	Bakerview Family Housing	Production	4	92
Lydia Place	Lydia Place Rehabilitation/Preservation Project	Preservation	1	96
Opportunity Council	Dorothy Place Rehabilitation	Preservation	2	94
YWCA of Bellingham	YWCA Larrabee Residence Renovation	Preservation	3	88
Kulshan CLT	Scattered Site Rehab. Program	Homebuyer	1	52

### Presentation of Projects and Preliminary Rankings

On August 8<sup>th</sup>, the projects and preliminary rankings were presented to the Community Development Advisory Board (CDAB). Each applicant was given the opportunity to present their project and answer any questions from CDAB.

### Public Comments Received on Applications

The public was given an opportunity to comment on the applications. The City announced the opportunity to comment on the proposals (<http://www.piersystem.com/go/doc/1264/1873826/>) and the projects were available on the city's web site (<http://www.cob.org/services/housing/awards.aspx>). The Bellingham Herald also covered the opportunity to comment on the projects in an article on August 23<sup>rd</sup> (<http://www.bellinghamherald.com/2013/08/23/3162071/first-requests-made-for-money.html>).

Comments were received on the applications. The areas of comment included the following:

- **Bakerview Family Housing (CHS)** - concerns about city funds going to people that would move into the area. Concerns also about whether the tenants are American citizens.
- **Cornwall Housing (CHS)** - comments were submitted in support and in opposition to the project.
- **Deer Run Terrace (BHA)** - comments were submitted in support of the application from the applicant, and specifically in regards to reduced funding levels proposed by staff.
- **Overall Comments** - comments submitted regarding support for getting the program off quickly and effectively. Other comments concerning staffing levels and supplanting funds were also submitted.

### Public Hearing

A public hearing was held on September 12<sup>th</sup> regarding the Housing Fund applications, as well as the amendments to the 2013 HUD Action Plan. Several people spoke at the hearing on the same topics addressed in the written comments.

### Mayor and Council Action

The Housing Levy Administrative and Financial Plan authorizes the Mayor to award funding for projects, and enter or authorize contracts or agreements to be executed. The Mayor's award of projects requires City Council concurrence on a budget amendment moving Production funds to Preservation, and awarding federal funds to two projects.

# Mayor's Actions/Recommendations

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## PRODUCTION AND PRESERVATION PROGRAM

The Production and Preservation of Homes Program funds the development and preservation of affordable rental housing in Bellingham, as well as the preservation or rehabilitation of owner-occupied housing.

Table 1: 2012 Housing Levy Administrative & Financial Plan

Measure	7-year	2013/2014
<b>Goal</b>	<b>417 Units</b>	<b>101 units</b>
<b>Funds, Levy (combined)</b>	<b>\$15,509,558</b>	<b>\$3,807,094</b>
Production	12,709,558	3,007,094
Preservation	2,800,000	800,000
<b>Funds, Federal (2013 only)</b>	<b>-</b>	<b>\$300,000</b>

## CDAB RECOMMENDATION, ADMINISTRATIVE & FINANCIAL PLAN AMENDMENT

Seven applications for production and preservation projects were submitted. One project, Deer Run Terrace (Bellingham Housing Authority), applied in the Production Program. Staff recommended, and CDAB/Mayor concurred, that the Deer Run Terrace project did not "produce" new affordable housing units and should be reclassified as a Preservation Project.

The applications and set asides for Preservation projects exceed the amount allocated to this activity in the Housing Levy Administrative & Financial Plan.<sup>1</sup> As a result, an amendment to the Housing Levy Administrative & Financial Plan is required in order to fund the recommended Preservation Projects. Even with this amendment, there would not be sufficient funds for a competitive Preservation program next year without additional funding. *This amendment requires City Council approval.*

Table 2: Proposed Amendment to 2012 Housing Levy Administrative & Financial Plan

Measure	7-year	2013/2014
<b>Goal</b>	<b>417 Units</b>	<b>101 units</b>
<b>Funds, Levy (combined)</b>	<b>\$15,509,558</b>	<b>\$3,807,094</b>
Production	12,359,558	2,457,094
Preservation	3,150,000	1,350,000
<b>Funds, Federal (2013 only)</b>	<b>-</b>	<b>\$300,000</b>

## CDAB RECOMMENDATION, 2013 HUD ACTION PLAN AMENDMENT

The published NOFAs identified \$300,000 of federal (HUD) funds that could be available for projects that were selected. An amendment to the 2013 HUD Action Plan is recommended to award \$100,000 of CDBG funds to the Dorothy Place preservation project and \$200,000 of HOME funds to the Deer Run Terrace preservation project.

These allocations of HUD funds, along with other 2013 Action Plan amendments, *requires City Council approval.*

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<sup>1</sup> It also needs to be noted that funds were set aside for Emergency Repair (\$50,000 per year) and Mobile Home Repair (\$125,000 per year). These allocations are part of the "Preservation" Program budget assumptions.

## MAYOR'S AWARD, PRESERVATION APPLICATIONS

- 1) **Lydia Place.** Lydia Place is a large 8-bedroom home built in 1966. Lydia Place is requesting rehabilitation/preservation funds to address a number of critical needs including addressing deferred long-term maintenance, increase energy efficiency and lower operation costs, meeting ADA standards and increasing accessibility, increase safety and functionality of common space, and to build capital expense reserves. Housing levy funds would be used for construction, soft costs, financing and \$10,624 into a capitalized replacement reserve.

**Owner:** Lydia Place  
**Project Rank/Score:** 1 (96 points)  
**Units/Beds:** 8  
**Income Target:** 8 below 30% AMI  
**Total Budget:** \$251,259  
**Project Award:** \$230,040 (Levy)  
**Special Terms:** City approval of Reserve funds

- 2) **Dorothy Place.** The Dorothy Place Rehab project is designed to address a number of needed repairs and upgrades. The project serves women and children who have experienced domestic violence and are homeless. The rehab will focus on replacement of many original (16 year old) items such as flooring, plumbing and electrical fixtures, and appliances, along with painting and other maintenance items. The focus will be on installing high quality, energy and water efficient items wherever possible. City funds proposed to go to construction, contingency, soft costs, and financing. \$35,857 requested for Replacement Reserves. (Note: Dorothy Place is currently undergoing other rehabilitation work with \$100,000 of CDBG funds awarded by the City. This work is in addition to that effort.)

**Owner:** Opportunity Council  
**Project Rank/Score:** 2 (94 points)  
**Units/Beds:** 36  
**Income Target:** 27 below 30% AMI; 9 below 50% AMI  
**Total Budget:** \$267,377  
**Project Award:** \$267,377 (\$100,000 of CDBG funds and remainder Levy funds)  
**Special Terms:** City approval of Reserve funds; City Council approval of federal funds

- 3) **Larrabee Residence (YWCA).** The proposed improvements to YWCA's Larrabee Residence will address deficiencies in indoor air quality, energy efficiency and plumbing systems and will renovate the building's lower level for the YWCA's emergency and transitional shelter programs serving very low-income women. Alterations must respect the National Historic Register status of this landmark building that has been home to Bellingham women since 1915. Improvements will address ventilation and interior air quality, placement of fixtures and equipment with more efficient specifications. Levy funds to be used for construction, soft costs and \$7,500 towards a Replacement Reserve.

**Owner:** YWCA  
**Project Rank/Score:** 3 (88 points)  
**Units/Beds:** 22  
**Income Target:** 21 below 30% AMI; 1 below 50% AMI  
**Total Budget:** \$272,001  
**Project Award:** \$244,501  
**Special Terms:** City approval of Reserve funds; City Council approval of increased Preservation program funds

- 4) **Deer Run Terrace (BHA).** Deer Run Terrace is a 42-unit affordable apartment building serving seniors originally built in 1995. Deer Run Terrace is in need of modernization, energy efficiency upgrades and an envelope replacement. The sustainability measures focus on improved energy performance, thermal comfort, healthier indoor air environment, environmental compatibility and simplified maintenance. BHA proposes that 14 units would be affordable to persons at or below 30% AMI, an increase of 3 units over current restrictions. The funding request of \$1 million was reduced in award to \$550,000.

**Owner:** Bellingham Housing Authority  
**Project Rank/Score:** was scored and ranked in Production Program only  
**Units/Beds:** 42  
**Income Target:** 14 below 30% AMI; 16 below 50% AMI; 12 below 60% AMI  
**Total Budget:** \$4,444,841  
**Project Award:** \$550,000 (\$200,000 of HOME funds and remainder Levy funds)  
**Special Terms:** City Council approval of federal funds and increased Preservation program funds.

**MAYOR'S AWARD, PRODUCTION APPLICATIONS**

- 1) **Corwall Housing (CHS).** Catholic Housing Services (CHS) of Western Washington is planning to construct a 42 unit apartment building with 32 of the units targeted to serve the homeless population. The project is modeled as a Permanent Supportive Housing facility, and will utilize Housing First principles. The three target resident populations include: chronically homeless, mentally-ill; homeless 18-24 year olds; and minimal barrier applicants who are able to pay rent. The funding request is in addition to \$315,000 of federal HOME funds awarded in 2012; the supplemental funds would be used to capitalize a 6-month operating reserve, a replacement reserve, and soft costs. The project also requested, and was awarded by CDAB, \$177,998 in annual rental assistance and operating costs for seven years.

**Owner:** Catholic Housing Services  
**Project Rank/Score:** 1 (103 points)  
**Units:** 42  
**Income Target:** 21 below 30% AMI; 13 below 50% AMI; 8 below 60% AMI  
**Total Budget:** \$9,722,456  
**Project Award:** \$362,500 (also awarded Rental Assistance and Supportive Services funding, and previous award of \$315,000 of HOME (federal) funds)  
**Special Terms:** See Rental Assistance and Supportive Services' conditions; City approval of Reserve funds



2) **Greggie's House (Sun)**. Sun House Permanent Supportive Housing will develop a new supportive housing project at 2317 and 2319 Lincoln Street (a duplex). The house will provide supportive services to six people who are homeless and have a behavioral health diagnosis that impairs functioning in one or more areas of their life, and have had at least one failed systems placement in the last three years or have been homeless for the last year. All participants will have extremely low income, mental health case management services, and a history of having needs that are challenging to meet with existing housing programs; many will be chronically homeless. Sun's funding request includes construction and soft costs, and includes an annual rental assistance and operating funds of \$55,914 for seven years.

**Owner:** Sun Community Services  
**Project Rank/Score:** 2 (102 points)  
**Units:** 2 units (6 bedrooms)  
**Income Target:** 2 below 30% AMI  
**Total Budget:** \$407,928  
**Project Award:** \$186,528 (also awarded Rental Assistance and Supportive Services funding)  
**Special Terms:** See Rental Assistance and Supportive Services' conditions; City approval of Reserve funds

3) **Bakerview Family Housing (CHS)**. Bakerview family housing development will serve farmworker families that reside in Whatcom County and earn a minimum of \$3,000 per year from agricultural work with incomes at or below 50% of area medium income. The project is proposed on a 6.9 acre site and would develop 50, 2 and 3 bedroom units in Phase I. The project would include a versatile community building for tenant enrichment and empowerment, and will include two playgrounds to accommodate a large population of children. Residents will be self-sufficient and not require supportive or special needs services, however services to increase their self-sufficiency and improve family stability will be provided by referral.

**Owner:** Catholic Housing Services  
**Project Rank/Score:** 3 (92 points)  
**Units:** 50  
**Income Target:** 13 below 30% AMI; 37 below 50% AMI  
**Total Budget:** \$9,954,937  
**Project Award:** \$1,553,737  
**Special Terms:** City approval of Reserve funds

## RENTAL ASSISTANCE AND SUPPORTIVE SERVICES PROGRAM

The Rental Assistance and Supportive Services Program serves vulnerable families and individuals who are experiencing homelessness or at imminent risk of homelessness. The first priority of this program is to provide the necessary supportive services and rental assistance for the housing units produced by the Levy. The Rental Assistance and Supportive Services Program funds may also be used to provide housing stabilization services in the form of financial assistance to homeless people not within housing units produced by this Levy and for those most at risk of homelessness.

Table 3: 2012 Housing Levy Administrative & Financial Plan

Measure	7-year	2013/2014
<b>Goal (households)</b>	<b>1,098</b>	<b>313</b>
<b>Funds, Levy (combined)</b>	<b>\$2,575,856</b>	<b>\$735,856</b>
Human Service Program (housing)	797,000	192,000
New Project Support	1,778,856	543,856

### MAYOR'S AWARD, RENTAL ASSISTANCE & SUPPORTIVE SERVICE APPLICATIONS

- 1) **Cornwall Housing (CHS).** Catholic Housing Services (CHS) of Western Washington is planning to construct a 42 unit apartment building with 32 of the units targeted to serve the homeless population. The project is modeled as a Permanent Supportive Housing facility, and will utilize Housing First principles. The three target resident populations include: chronically homeless, mentally-ill; homeless 18-24 year olds; and minimal barrier applicants who are able to pay rent.

<b>Owner:</b>	Catholic Housing Services
<b>Project Rank/Score:</b>	1 (103 points)
<b>Units:</b>	42
<b>Income Target:</b>	21 below 30% AMI; 13 below 50% AMI; 8 below 60% AMI
<b>Total Operating (Annual) Budget:</b>	\$651,980 (total services' budget is \$400,039)
<b>Project Award:</b>	\$177,998 annually for years 1-3, then reduced 25% in years 4-5, and reduced 50% in years 6-7; (\$978,994 over seven years).
<b>Special Terms:</b>	The annual allocation of rental assistance and supportive services will be limited to seven (7) years. At the end of the fifth year, the developer shall submit a financial and operational plan to the City that shows how the project will continue to serve the proposed population.

- 2) **Greggie's House (Sun).** Sun House Permanent Supportive Housing will develop a new supportive housing project at 2317 and 2319 Lincoln Street (a duplex). The house will provide supportive services to six people who are homeless and have a behavioral health diagnosis that impairs functioning in one or more areas of their life, and have had at least one failed systems placement in the last three years or have been homeless for the last year. All participants will have extremely low income, mental health case management services, and a history of having needs that are challenging to meet with existing housing programs; many will be chronically homeless.

**Owner:** Sun Community Services  
**Project Rank/Score:** 2 (102 points)  
**Units:** 2 units (6 bedrooms)  
**Income Target:** 2 below 30% AMI  
**Total Operating (Annual) Budget:** \$87,987 (total services' budget is \$34,253)  
**Project Award:** \$55,914 annually (\$391,398 over seven years)  
**Special Terms:** The annual allocation of rental assistance and supportive services will be limited to seven (7) years. At the end of the fifth year, the developer shall submit a financial and operational plan to the City that shows how the project will continue to serve the proposed population.

## HOMEBUYER PROGRAM

The Homebuyer Program is intended to provide resources to enable low-income households to purchase a home in the City. Levy funding can be used for direct homebuyer assistance, or for site acquisition and development costs for affordable for-sale homes to be sold to eligible first-time homebuyers, displaced homemakers and homeowners in default or distress.

Table 4: 2012 Housing Levy Administrative & Financial Plan

Measure	7-year	2013/2014
Goal	50 units	14 units
Funds, Levy	\$938,085	\$255,000

## MAYOR'S AWARD, HOMEBUYER APPLICATIONS

- 1) **Scattered Site Homebuyer Program (KCLT).** KCLT will work in partnership with Habitat for Humanity to identify home rehab projects in areas of the city that have high concentrations of rental housing (i.e. Birchwood, Roosevelt, Happy Valley) or urban villages. 13 homes will be completed, including 2-3 homes that will be rebuilt from the studs and include new plumbing, wiring, heating systems and energy retrofits. Levy, federal HOME funds (\$200,000) and additional outside funds will lower the cost to the buyer. Levy funds will be used for construction, soft costs, and financing fees.

**Developer:** Kulshan Community Land Trust  
**Project Rank/Score:** 1 (52 points)  
**Units:** 13  
**Income Target:** 2 below 50% AMI; 6 below 60% AMI; 5 below 80% AMI  
**Total Budget:** \$2,891,787  
**Project Award:** \$255,000 (also previous award of \$200,000 of HOME (federal) funds)  
**Special Terms:** Homes must be located in high rental concentrated neighborhoods

## MEASURING PROGRESS TOWARDS GOALS

The Production and Preservation of Homes Program set a seven-year goal to assist in the development and preservation of 417 units, and a two-year goal of 101 units. The competitive applications and the manufactured housing program are far exceeding the Levy performance expectations.

Table 5: Production and Preservation Program Goals

	7-year	2-year
<b>Goal</b>	<b>417</b>	<b>101</b>
<i>Production NOFA</i>	94	94
<i>Preservation NOFA</i>	108	108
<i>Manufactured Housing</i>	44	44
<b>Total Units Produced/Preserved</b>	<b>246</b>	<b>246</b>
<b>% achieved (anticipated)</b>	<b>59%</b>	<b>244%</b>

The Rental Assistance and Supportive Services Program set a seven-year goal to help stabilize housing for 114 households annually, or 1,080 households over the 7-year Levy. The competitive applications would support 48 households annually, and Housing Levy funds awarded through the Human Service Grant program for housing services would support 430 additional households.

Table 6: Rental Assistance and Supportive Service Program Goals

Performance Goals (Households Served)	7-year	2-year
<b>Goal</b>	<b>1,098</b>	<b>313</b>
<i>Applications</i>		
<i>Rental Assistance NOFA</i>	336	96
<i>Op. Council Homeless Housing (2 years)</i>	800	800
<i>WHSC anti-victimization project (1 year)</i>	30	30
<b>Households Served</b>	<b>1,166</b>	<b>926</b>
<b>% achieved (anticipated)</b>	<b>106%</b>	<b>296%</b>

The Homebuyer Program set a seven-year goal to provide housing to 50 households over the 7-year Levy, and 14 households in the first two years. The competitive application would support 13 households.

Table 7: Homebuyer Program Goals

Performance Goals (Units)	7-year	2-year
<b>Goal</b>	<b>50</b>	<b>14</b>
<i>Applications</i>		
<i>Kulshan CLT</i>	13	13
<b>Units Produced</b>	<b>13</b>	<b>13</b>
<b>% achieved (anticipated)</b>	<b>26%</b>	<b>93%</b>

**LEVERAGING FUNDS**

One of the goals of the Housing Levy, as well as the Notice of Funding Availability for the two programs, was that projects receiving City funds would leverage other funding sources.

<b>Program</b>	<b>Total Project Budget</b>	<b>City Funds</b>	<b>Matching Funds</b>	<b>Matching Percentage</b>
<b>Production</b>	\$ 20,085,321	\$ 2,102,765	\$ 17,982,556	90%
<b>Preservation</b>	5,235,478	1,291,918	3,943,560	75%
<b>Rental Assistance and Supportive Services</b>	5,179,769	1,637,384	3,542,385	68%
<b>Homebuyer</b>	2,891,787	255,000	2,636,787	91%
<b>TOTAL</b>	<b>\$ 33,392,355</b>	<b>\$ 5,287,067</b>	<b>\$ 28,105,288</b>	<b>84%</b>

**COST PER UNIT**

In order to set future goals, one of the questions to track is how much it costs to provide, preserve or serve affordable housing in our community. The following table identifies costs per unit by housing program.

Table 8: Cost Per Unit, 2013 Competitive NOFA Applications

<b>Cost Per Unit</b>	<b>Units</b>	<b>City Funds</b>	<b>Cost Per Unit</b>
Production Program	94	2,102,765	22,370
Preservation Program	108	1,291,918	11,962
Rental Assistance & Supportive Services Program	44	233,912	5,316
Homebuyer Program	13	255,000	19,615
<b>TOTAL</b>	<b>259</b>	<b>3,883,595</b>	<b>14,995</b>

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AMENDING THE LOW INCOME HOUSING ADMINISTRATIVE AND FINANCING PLAN REGARDING THE USE AND EXPENDITURE OF HOUSING LEVY FUNDS AUTHORIZED BY THE VOTERS IN PROPOSITION NO. 1, LOW-INCOME HOUSING LEVY.**

**WHEREAS**, Ordinance No. 2012-06-033 submitted to the qualified electors of the City a proposition to lift the limit on regular property taxes under Chapter 84.55 RCW for low-income housing and after declaring an emergency, requested voter approval of an additional property tax for very low-income housing;

**WHEREAS**, City of Bellingham Proposition No. 1 has been approved by the qualified electors;

**WHEREAS**, RCW 84.52.105 provides that the additional property tax for very low-income housing cannot be imposed until the City adopts an affordable housing financing plan for expenditure of funds raised by a levy;

**WHEREAS**, RCW 84.52.105 requires the City Council to determine that the affordable housing financing plan is consistent with the city's comprehensive housing affordability strategy;

**WHEREAS**, on November 5, 2012, the City Council approved Resolution No. 2012-30 adopting the 2013-2017 Consolidated Plan, which is the city's comprehensive housing affordability strategy;

**WHEREAS**, the City Council amended the Housing Levy Administrative and Financing Plan ("Plan") on May 13, 2013 with Resolution No. 2013-05; and

**WHEREAS**, a need to amend provisions of the program funding plan to assist with housing preservation projects requires amendments to the Plan.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLINGHAM:**

1. That the City Council finds the amendments to the Plan, attached hereto, are found to be consistent with the locally adopted comprehensive housing affordability strategy required under the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701, et seq.); and
2. That the Housing Levy Administrative and Financing Plan, attached hereto, is hereby amended.

City of Bellingham  
City Attorney  
210 Lottie Street  
Bellingham, Washington 98225  
360-778-8270

**PASSED** by the Council this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Council President

**APPROVED** by me this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor

**ATTEST:** \_\_\_\_\_  
Finance Director

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Office of the City Attorney

City of Bellingham  
City Attorney  
210 Lottie Street  
Bellingham, Washington 98225  
360-778-8270

# **City of Bellingham**

## **2012 Housing Levy**

### **Administrative & Financial Plan**

### **Program Years: 2013-2019**

**Prepared by:**

**City of Bellingham  
Planning and Community Development,  
Housing Program**

**David Stalheim, Manager**

**Adopted: November 19, 2012  
Amended: May 13, 2013  
Proposed Amendment: October 14, 2013**





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## INTRODUCTION

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The 2012 Bellingham Housing Levy authorizes \$21 million over a 7-year period to provide, produce, and/or preserve affordable housing in Bellingham and to assist low-income tenants in Bellingham. The Housing Levy would fund four programs:

1. Production and Preservation of Homes
2. Rental Assistance and Support Services
3. Low-income Homebuyer Assistance
4. Acquisition & Opportunity Loans

The 2012 Housing Levy ~~will be considered~~ was approved by Bellingham voters in November 2012 and includes property tax levies authorized for seven years, from 2013 through 2019. The Planning and Community Development Department, Block Grant program, ~~would~~ administers the 2012 Bellingham Housing Levy programs.

Ordinance 2012-06-033, passed by City Council on June 18, 2012, placed the Levy proposition on the November ballot and directed Planning and Community Development (PCD) to prepare a Levy Administrative and Financial Plan (A & F Plan) covering the period beginning in 2013 through 2019. The A & F Plan includes the funding plan for the levy and policies governing administration of each levy program.

The Levy A & F Plan must be approved by City Council, with such modifications as the City Council may require. ~~A draft~~ The A & F Plan is first developed by PCD with input and assistance of working groups that include housing provider representatives, the Bellingham Housing Authority, business groups, groups addressing homeless and other human service issues, and other interested community members. The Community Development Advisory Board reviews the draft and makes recommendations to the Mayor and City Council.

## PROGRAM FUNDING PLAN

All revenues collected from the additional taxes levied for housing would be deposited in the Low-Income Housing Fund in subfunds or accounts created by the Finance Director or as needed to implement the purposes of the 2012 Levy, and as authorized in a Budget Ordinance. Expenditures shall not exceed receipt of levy proceeds.

Levy revenues in the Low-Income Housing Fund would fund the Production & Preservation of Homes, Rental Assistance and Supportive Services, Homebuyer, and Acquisition and Opportunity Loan programs. Table 1 below shows fund totals for those programs based on projected amounts of additional taxes levied for low-income housing. Total annual amounts available for administration of these four Levy programs are also shown in Table 1.

Program income from the 2012 Levy shall be used to fund programs from which the program income is derived, which are predominantly the Production & Preservation of Homes, Homebuyer, and Acquisition and Opportunity Loan programs.

**Table 1, Program Funding Plan**

	2013	2014	2015	2016	2017	2018	2019	7 year total	% of Total Expenditures
<b>Revenue</b>	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	21,000,000	
<b>Expenses:</b>									
Production & Preservation of Homes	1,507,094	2,300,000	2,350,000	2,350,000	2,300,000	2,350,000	2,352,464	15,509,558	73.9%
Rental Assistance & Support Services	367,856	368,000	368,000	368,000	368,000	368,000	368,000	2,575,856	12.3%
Low Income Homebuyer Assistance	111,997	141,264	141,336	141,409	118,889	141,557	141,632	938,085	4.5%
Acquisition & Opportunity Loans	875,000	0	0	0	0	0	0	875,000	4.2%
<b>Program Expenditures</b>	<b>2,861,947</b>	<b>2,809,264</b>	<b>2,859,336</b>	<b>2,859,409</b>	<b>2,786,889</b>	<b>2,859,557</b>	<b>2,862,096</b>	<b>19,898,499</b>	<b>94.8%</b>
<b>Total Administrative</b>	<b>130,739</b>	<b>142,788</b>	<b>149,836</b>	<b>157,319</b>	<b>165,268</b>	<b>173,584</b>	<b>181,968</b>	<b>1,101,502</b>	<b>5.2%</b>
<b>Total Expenditures</b>	<b>2,992,686</b>	<b>2,952,052</b>	<b>3,009,172</b>	<b>3,016,728</b>	<b>2,952,157</b>	<b>3,033,141</b>	<b>3,044,064</b>	<b>21,000,000</b>	<b>100.00%</b>

Table 2, 2013 - 2014 Budget

### Low Income Housing Fund

A low-income housing fund to be used as set forth in Ordinance No. 2012-06-033 and authorized by voters by Proposition 1 on November 6, 2012.

<b>Low Income Housing Fund</b>				
<b>Revenues and Sources</b>	<b>2012</b>	<b>2013 Budget</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
<b>Expenditures and Uses</b>	<b>2012</b>	<b>2013 Budget</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
Beginning Reserves	0	0	7,314	55,262
<b>Revenues:</b>				
Very Low-Income Levy	0	2,000,000	2,000,000	2,000,000
Low-Income Levy	0	1,000,000	1,000,000	1,000,000
Program Income	0	0	0	0
<b>Subtotal of Revenues</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Fund Total Sources</b>	<b>0</b>	<b>3,000,000</b>	<b>3,007,314</b>	<b>3,055,262</b>
<b>Expenditures:</b>				
<b><i>Production &amp; Preservation of Homes</i></b>				
Home Production Loans	0	1,107,094	<del>1,900,000</del> <u>1,350,000</u>	<del>1,950,000</del> <u>2,150,000</u>
Home Preservation Loans	0	400,000	<del>400,000</del> <u>950,000</u>	<del>400,000</del> <u>200,000</u>
<b><i>Rental Assistance &amp; Support Services</i></b>				
Contractual Services	0	367,856	368,000	368,000
<b><i>Low-income Homebuyer Assistance</i></b>				
Loans	0	111,997	141,264	141,336
<b><i>Acquisition &amp; Opportunity Loans</i></b>				
Loans	0	875,000	0	0
<b><i>Administration</i></b>				
Salaries and Benefits	0	45,832	55,334	59,758
Misc. Expenses	0	14,907	15,354	15,815
Interfund	0	70,000	72,100	74,263
Purchasing	0			
<b>Subtotal of Expenditures</b>	<b>0</b>	<b>2,992,686</b>	<b>2,952,052</b>	<b>3,009,172</b>
Ending Reserves	0	7,314	55,262	46,090
<b>Fund Total Uses</b>	<b>0</b>	<b>3,000,000</b>	<b>3,007,314</b>	<b>3,055,262</b>